

Draft Driver's License / State ID Study for the Kansas Legislature

Jan. 1, 2007

The 2006 Kansas Legislature directed the Kansas Health Policy Authority (KHPA) to study the impact of requiring Medicaid beneficiaries to present photo-identification (i.e., a current Kansas driver's license, a state-issued identification card, or a federally-issued passport) each time Medicaid services are received. The proviso specified the following issues be studied:

. . . (2) the development of rules and regulations to address the need for third parties to access services for consumers under the state Medicaid plan, (3) the development of hardship criteria and a process for paying for a driver's license or state-issued identification card for hardship-qualifying Medicaid consumers with state funds that are matched at the highest allowable federal rate, and (4) the feasibility of implementing a plastic card with photo identification to access benefits under the state Medicaid plan. . .

Executive Summary

To examine and research the issues related to a photo identification (ID) requirement, KHPA commissioned a statewide feasibility study, conducted a national survey of Medicaid programs, and evaluated photo IDs in light of a variety of other considerations.

If a photo ID requirement were implemented, the state may want to consider exempting certain populations or providing alternative means of satisfying the requirements in certain circumstances. These could include:

- The provision of emergency services
- Services provided to children, to individuals with certain disabilities, or in institutional settings
- When transportation or missed work would pose a barrier to rescheduling appointments that would have to be abandoned due to a missing or forgotten photo ID

There could be significant costs associated with a photo ID requirement if the state were to provide a photo ID or beneficiaries were to be required to acquire them independently. The state would want to consider hardship criteria to address these costs, e.g.:

- Exemptions for applicants who currently lack a picture ID or who would be unable to transport their family to a Medicaid picture ID station
- Use state funds for applicants or enrollees to obtain an independent photo ID, or for transportation to a Medicaid picture ID station
- Were the state to pursue a Medicaid picture ID, those direct costs would be borne by the state at the standard 50/50 administrative match rate

(apart from possibly enhanced funding from the Federal government for development costs)

Statewide Survey

To examine the implementation issues associated with requiring Medicaid consumers to present state approved photo identification upon receiving Medicaid services, KHPA contracted with the Docking Institute at Fort Hays State University (FHSU) to conduct a feasibility study. The study was designed to assess the potential impact of this requirement on Medicaid beneficiaries and to gain input and perceptions about the requirement from Medicaid providers.

Areas studied were:

- What percentage of Medicaid beneficiaries do not currently have state-approved photo identification (i.e., driver's license, state ID, or federal passport)?
- What are the financial costs of acquiring state-approved photo identification?
- What steps would a Medicaid beneficiary without approved photo identification need to take to obtain one?
- What do Medicaid beneficiaries perceive as barriers to obtaining approved identification (e.g., financial costs and transportation to obtain the ID)?
- What are the perceptions and opinions of medical service providers, specifically office managers, regarding a photo ID requirement to receive services among medically eligible individuals?
- What are the perceptions and opinions of SRS Medicaid Liaisons regarding a photo ID requirement?

A draft of the technical report of findings from the survey research, phone interviews, and secondary data analysis will be submitted to KHPA on December 11, 2006.

National Survey

In addition to the FHSU statewide survey, KHPA conducted a national survey to determine if other states require Medicaid beneficiaries to present authenticating identification (e.g., a current resident driver's license, a state-issued identification card, a federally-issued passport, etc.) at the time medical services are received. Survey questions included:

- Does your state require, or plan to require, Medicaid beneficiaries authenticate who they are at the time they receive services by presenting some form of self-identification?
- If yes, what form of identification does your state require, or plan to require?
- Did your Medicaid agency conduct, or does it plan to conduct, any studies on the potential impact?

- If yes, did the study include research regarding the feasibility of implementing a plastic card with photo ID to access benefits under the state plan?
- If yes, did the study conclude this arrangement would be feasible?
- Is there a summary of the overall results of the study that KHPA might access through the internet?
- If implementing (or planning to implement) an identification requirement, has your state developed rules and regulations addressing the need for third parties to access services for consumers under the state plan (e.g., as might happen with a person who has severe cognitive disabilities)?
- If yes, could your state send a copy of the rules and regulations that were developed to KHPA?

Sixteen states responded to the survey. Fifteen of the sixteen states do not require photo identification. Results are listed below.

| State | Photo ID Required at Time of Service |
|----------------|---|
| Alaska | No |
| Connecticut | No |
| Idaho | No |
| Illinois | No |
| Iowa | No |
| Louisiana | No |
| Mississippi | Yes (alternative accepted) |
| Missouri | No |
| Nebraska | No |
| Nevada | No |
| New York | No (see notes below) |
| South Carolina | No |
| Utah | No |
| Virginia | No |
| Wisconsin | No |
| Wyoming | No |

Summary of Mississippi's Photo Identification Requirements

Information included on Mississippi's Medicaid identification card includes:

- The 12 digit number consisting of the beneficiary's ID number and a three digit card control suffix;
- beneficiary name;
- card issue date; and an
- encoded magnetic strip.

Photo identification, or other authenticating documentation, is not included on the card but must be presented in separate form. The provider is responsible for confirming that the person presenting the card is the person whom the card is issued to by:

- requesting a picture ID (e.g., a driver's license, school ID card, etc.); **or**
- verifying the Social Security number; **and/or**
- date of birth

While the preference is for providers to verify the identity of the person presenting for service with a picture ID when possible, some flexibility is provided as noted above. Mississippi did not conduct any studies to determine impact or feasibility. Rules and regulations regarding the need for third party access to services for consumers were not developed. We do not know how often or in what proportion providers accept alternative identification lacking a photograph, nor the relative impact of the requirement on adults and children.

Summary of New York's Photo Identification Card

New York does not require a photo ID in addition to the beneficiary's Medicaid card, although for many adults, the Medicaid card contains a photo. There are numerous exceptions, however, to the inclusion of the photo ID on the Medicaid card.

Beneficiaries whose card does not include a photo ID are:

- Persons residing in health care facilities
- Persons residing in developmental centers operated by the Office of Mental Retardation and Developmental Disabilities (OMRDD)
- Persons residing in psychiatric centers operated by the Office of Mental Health (OMH)
- Persons residing in residential treatment facilities certified by the OMH
- All Social Security Income (SSI) recipients
- All children under 21 living with a responsible relative, as well as foster care children
- At local option, districts may require photo identification of persons between the ages of 18 and 21, who are not living with a responsible relative
- All persons applying at sites other than local social services offices until next client contact or recertification
- Homebound persons including those receiving personal care, home health care, or long term care

- Persons residing in living arrangements operated by OMH, or residing in living arrangements certified or operated by the OMRDD
- Persons enrolled in the OMRDD Home and Community Based Services Waiver (HCBS)

As indicated by this list, the inclusion of a photo on the Medicaid card is inconsistent across beneficiaries in New York. Supporting documentation in addition to or instead of a photo on the Medicaid card (e.g., current driver's license) is not required by New York rules.

Relationship to DRA Citizenship and Identity Verification

To further investigate effects of the proposed requirement, KHPA reviewed the procedural and enrollment impact on Kansas Medicaid beneficiaries of the new federal citizenship and identity verification requirements, as defined in the Deficit Reduction Act of 2005 (DRA). While the DRA requires proof of citizenship and identity to determine eligibility, the Legislature requested a study of requiring proof of identity at the time services are received. The documentation requirements for each of these processes are very similar. Examples of the common forms of acceptable documentation for proof of citizenship and identity at the time of application include:

Any one of these:

- U.S. Passport
- Certificate of Naturalization
- Certificate of U.S. Citizenship, **or**

Any one of these:

- U.S. Birth Certificate
- Certification of Birth Abroad
- U.S. Citizen Identification Card
- Consular Report of Birth
- Final adoption decree, **plus**
- Driver's license or state ID card
- School ID card with photo
- U.S. Military Card
- Native American Tribal document¹

The requirements for obtaining a valid Kansas driver's license or state identification card are very similar (e.g. certified birth certificate, U.S. passport, U.S. military I.D., DD 214, Bureaus of Indian Affairs Tribal Identification Card,

¹ Families USA. "Citizenship Update: Administration Creates Additional Barriers to Medicaid Enrollment." June 2006. <http://www.familiesusa.org/assets/pdfs/DRA-Citizenship-Update.pdf>.

certified order of adoption, certificate of naturalization with intact photo, photo DL issued by a U.S. state, photo ID issued by a U.S. state).

Since implementation of the citizenship verification requirements went into effect on July 1, 2006, KHPA has documented significant impact on Kansas applicants and beneficiaries as well as on enrollment operations at the Kansas Family Medical Clearinghouse². These impacts, including a drop in caseload of approximately 18,000-20,000 and an increase in state costs of more than \$1 million, illustrate how additional administrative requirements can pose enrollment barriers to eligible Kansans. While the nature of the DRA documentation requirements at the time of application, and a photo ID requirement at the time of service, are different, it is important to note the potential for administrative requirements to impact access to care. In particular, the administrative process of creating Medicaid picture IDs would fundamentally alter the existing mail-in application process. Approximately 85% of applications from families and children are processed at the Family Medical Clearinghouse in Topeka. Adding a photograph to this process would have significant cost implications for the state and would make it more difficult to enroll in the program, e.g., with the added burden of driving to a central location to get an official Medicaid picture.

KHPA's experience with the identity verification requirement shows that beneficiaries struggle with producing identification documents for an annual enrollment process. There are significant costs to acquiring the documents and accessing the original documents for enrollment purposes has prevented several thousand people from becoming eligible. Imposing a requirement to show identification at each appointment would have similar discouraging impacts on beneficiaries access to routine care or emergency care.

Potential Impact to People with Disabilities

The citizenship requirement in the DRA included "all U.S. citizens and nationals applying for or renewing their Medicaid coverage to provide documentation of their citizenship status."³ As a result of this requirement, Community Supports and Services (CSS) a unit within the Health Care Policy Division of Social Rehabilitation Services (SRS) began planning how to support people with disabilities in obtaining the necessary documentation. Although an interim final rule has since been issued exempting Medicare beneficiaries and most individuals receiving Supplemental Security Income (SSI) from the citizenship documentation requirements, issues that were initially taken into consideration by CSS included the following:

² http://www.khpa.ks.gov/PressReleases/Releases/12-1-06Citizenship%20Fact%20Sheet%20_3.pdf

³ Kaiser Commission on Medicaid and the Uninsured. "New Requirements for Citizenship Documentation in Medicaid." July 2006. www.KFF.ORG/KCMU.

- Individuals enrolled in Medicaid are less likely than the general population to have access to a passport or birth certificate.⁴
- Based on ongoing experience, many of the people served by CSS do not have driver's licenses or access to their birth certificates.
- Families or guardians of these beneficiaries are often times not readily available to help (i.e., many live out-of state or are located a significant distance away).
- For some beneficiaries, especially those with cognitive disabilities, staff will need to take responsibility for maintaining and presenting the photo ID to the provider. Given the already hectic schedule many staff members are required to maintain, remembering to bring the photo ID to each appointment may be difficult. If the requirement were implemented, forgetting the ID could result in denial of services.
- Elderly beneficiaries may have been born outside of hospitals making the documentation requirements even more difficult to achieve.
- For children, decisions about how often the ID would need to be updated to account for rapid changes in appearance, and how to assist parents in obtaining the IDs, would need to be made.
- Similarly, decisions regarding how to pay for the costs of the ID, staff research time to locate the needed documentation to obtain the ID, and transportation costs to the designated entities where the IDs can be obtained would need to be made.

Rules and Regulations regarding Third Parties to Access Services

Many Medicaid beneficiaries, especially individuals with cognitive disabilities; children, and the elderly, are dependent upon third parties to assist in the enrollment process and to access services. Any requirement to provide Photo ID or documentation at the point of service would need to accommodate these and other with special needs, which may potentially lead to a series of exempted populations or services. Additional questions include:

- Within the context of institutional settings (e.g. ICFMRs, state institutions, etc.) does the proposed requirement mean that presentation of the photo ID would be necessary each time institutional staff provide services?
- Would IDs be required for each Medicaid service provided to a child in a school setting?
- Would foster-care children be required to obtain and show photo ID?
- Are there special concerns for the provision and delivery of Durable Medical Equipment program (e.g., oxygen deliveries, etc.)?
- How will this requirement affect the provision of services for recipients in private insurance plans, i.e., managed care organizations?

⁴ Families USA. "Citizenship Update: Administration Creates Additional Barriers to Medicaid Enrollment." June 2006. <http://www.familiesusa.org/assets/pdfs/DRA-Citizenship-Update.pdf>.

- How would the requirement apply to self-directed care within Home and Community Based Services (HCBS)?

Development of Hardship Criteria

Development of hardship criteria depend on the method used to pay for beneficiary acquisition of the state-approved photo identification. It is possible that a 50/50 Medicaid administrative match could be used. If this funding arrangement was implemented, Medicaid beneficiaries would not be responsible for paying for a photo ID and the development of hardship criteria would not be necessary.

Conformity with Emerging Standard for Health Plan ID Cards

While the results of the FHSU study will be used as a primary source of information to determine the feasibility of the proposed photo-identification requirement, consideration should be given to the standards for advanced technology health plan ID cards being developed by the Governor's Health Care Cost Containment Commission (H4C). The H4C was established in 2004 as part of the Healthy Kansas initiative and was charged with improving quality of health care and increasing the acceptance of health care information technology in the state of Kansas. In order to identify regional administrative issues and best practices, the Commission conducted community forums throughout the state and worked with key stakeholders, in both public and private sectors, to achieve their goals of improving quality of care and reducing the cost of health care.⁵

In April, 2006, the H4C initiated an advanced technology ID card project to explore eligibility and claims payment problems at the point of service and to identify best practice guidelines for health plan patient/member identification cards. Recently, the H4C endorsed the Mid-America Coalition on Health Care (MACHC) best practice guidelines for health plan patient/member identification cards. Listed below are a partial list of data elements the MACHC considers essential or optional to include on the identification card.

- Patient Name
- Patient Identification Number
- Health Plan or Payor Name and Logo
- Health Plan or Payor Phone Number
- Product or Plan Type
- Primary Care Physician (PCP) Name
- PCP Phone Number (optional)
- Employer Group Name or ID Number
- Provider Network Name or Logo
- Effective or Issue Date

⁵ Office of the Governor. "Sebelius Administration Takes More Steps for Affordable Health Care." 15 Dec. 2004. <http://www.ks governor.org>.

A photograph is not included in the essential or optional data elements identified by MACHC.

The best practice standards established by the MACHC are aligned with the guidelines developed by the Workgroup for Electronic Data Interchange (WEDI). WEDI is an organization dedicated to identifying “best practices” for implementation of health care standards. In December, 2005, WEDI developed draft implementation guidelines specific to the American National Standard, *Identification Cards-Health Care Identification Cards*⁶. The standard is an application of international card standards to health care applications in the United States.⁷ The stated purpose of the guideline is “to standardize present practice, to bring uniformity to information, appearance, and technology of over 100 million cards now issued by health care providers, health plan or payers, government programs, and others.”⁸ WEDI reports that the “potential benefits (of the standardization of health identification cards) to the health care – to patients, health care providers, and health plans or payers - are very significant, especially from uniformity, efficiency, automation, and error reduction.”⁹ It is worthwhile to note that the implementation guide “permits, but does not require, inclusion of a portrait” on the identification card.¹⁰

The H4C has invested in the development of a uniform health plan ID card and may move ahead with guidelines that do not include photographs on the card. The H4C expects to complete its recommendations by the end of December 2007.

The Legislature may want to examine the H4C’s progress in advancing uniform statewide ID card standards before moving ahead with a separate plan for Medicaid cards. Questions include:

- Does the state want to establish one ID card for Medicaid populations and a separate and distinguishable card for other populations?
- What are the specific concerns that entail a photo ID requirement for populations insured through Medicaid vs. those insured through private plans?

Summary

There are a number of concerns related to requiring photo identification for Medicaid beneficiaries. Factors that need to be taken into consideration in the decision to require a photo ID include:

⁶ Workgroup for Electronic Data Interchange. “Health Identification Card Implementation Guide.” 2 Dec. 2005.

⁷ Ibid.

⁸ Workgroup for Electronic Data Interchange. “Health Identification Card Implementation Guide.” 2 Dec. 2005.

⁹ Ibid.

¹⁰ Workgroup for Electronic Data Interchange. “Health Identification Card Implementation Guide.” 2 Dec. 2005.

- Exemptions for certain populations or providing alternative means of satisfying the requirements in certain circumstances.
- Development of hardship criteria to address the associated costs of obtaining the IDs.
- The results of the FHSU survey to be submitted to KHPA on December 11, 2006.
- The experience of adding verification requirements within Medicaid eligibility determinations in reducing or delaying access to care.
- Application of national and state standards for health plan cards and the potential administrative burden of treating Medicaid beneficiaries differently.
- The differential impact a photo ID requirement would have on certain populations, primarily children, people with disabilities, and the elderly, and the potential for accentuating disparities in treatment and care.